

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held at 9.30 on Wednesday 17 November 2021 by videoconference.

Present: Mr A. McCann, Non Executive Board Member (chair); Councillor S. Akhtar, Non Executive Board Member; Ms T. Gillies, Medical Director; Ms S. Goldsmith, Director of Finance; Councillor G. Gordon, Non Executive Board Member; Mr B. McQueen, Non Executive Board Member.

In Attendance: Mr N. Bradbury, Capital Finance Manager; Mr C. Campbell, Chief Executive; Ms J. Campbell, Chief Officer, Acute Services; Mr J. Crombie, Deputy Chief Executive; Ms M. Carr, Service Director, Diagnostics, Anaesthetics, Theatres and Critical Care (item 42.6); Mr B. Currie, Project Director (item 42.3 and 42.4); Ms M. Cuthbert, Associate Director of Pharmacy (observing); Mr M. Gallaher, Business Consultant (item 42.2); Professor M. Gillies, Associate Medical Director (item 42.6); Mr I. Graham, Director of Capital Planning and Projects; Dr J. Hopton, Programme Director; Mr C. Kerr, Senior Project Manager, Finance; Mr T. Logan, Head of Operations, Hard Facilities Management (item 43.3); Mr C. Marriott, Deputy Director of Finance; Ms J. McDonald, General Manager, Royal Infirmary of Edinburgh (item 42.6); Ms T. McKigen, Services Director, Royal Edinburgh Hospital (item 42.7); Mr A. Payne, Head of Corporate Governance; Ms B. Pillath, Committee Administrator (minutes).

Apologies: Ms F. Ireland, Interim Executive Nurse Director.

Chair's Welcome

The Chair welcomed members to the meeting.

Members were reminded that they should declare any financial or non-financial interests they had in the items of business for consideration, identifying the relevant agenda item and the nature of their interest. No interests were declared.

41. Committee Business

41.1 Minutes and Actions from Previous Meeting (13 October 2021)

- 41.1.1 Members accepted the minutes from the meeting held on 13 October 2021 as a correct record.
- 41.1.2 The updated cumulative action note had been previously circulated. Updates discussed would be included in the action plan circulated before the next meeting.

42. Capital

42.1 Property and Asset Management Investment Programme

- 42.1.2 Mr Kerr presented the previously circulated paper. It had been agreed that in future all initial agreements for business cases would be submitted to the Planning,

Performance and Development Committee (PPDC) for approval and business cases would then be submitted to the Finance and Resources Committee. This would allow the PPDC to have oversight over proposed projects.

- 42.1.3 Ms Goldsmith advised that it was usual for extra funding to be committed to a project as a contingency for additional resources needed during project delivery. If there was any flexibility in these costs then any additional funding would be used to advance rolling programmes. Projects over £1 million would be considered at the Finance and Resources Committee with those below this approved via the Lothian Capital Investment Group and reported in the PAMIP report.
- 42.1.4 Ms Goldsmith noted that the Scottish Government previously only gave funding commitments for the coming year apart from large projects, but that they were working towards a model whereby commitments would be made further ahead giving more certainty for planning.
- 42.1.5 It was suggested that the planned project tracker should include planned and actual start and completion dates for projects so that any change to the plan would be clear. It was also agreed that in section 9 of Appendix 3 it would be made clearer that the costs required here were both capital and revenue.
- 42.1.6 Members accepted the recommendations laid out in the paper and accepted moderate assurance of the delivery of the PAMIP.

42.2 Royal Infirmary of Edinburgh Commercial Strategy

- 42.2.1 Ms Goldsmith and Mr Gallaher presented the previously circulated paper and noted that this report and the discussion should be regarded as commercially confidential.
- 42.2.2 Members accepted the recommendations laid out in the paper and a further paper would be submitted to the next meeting with options for the handover of the building.

SG

42.3 Scottish Hospitals Inquiry – update

- 42.3.1 Ms Goldsmith and Mr Currie presented the previously circulated paper. Ms Goldsmith advised that the ability for staff to raise concern about project design and capital investment was included in the policy that facilitated staff raising any concerns about the organisation. Systems were in place at the project planning stage that should allow stakeholders any input required.
- 42.3.2 The burden of the Inquiry on senior staff required to give evidence and the requirement for adequate support was noted. Ms Goldsmith noted the significant concerns NHS Greater Glasgow and Clyde had had regarding criticism of individual staff during the first phase of evidence giving. This would be highlighted to the Board.
- 42.3.3 Members accepted the recommendation in the paper.

42.4 Major Project Programme – update

- 42.4.1 Mr Currie presented the previously circulated paper. He advised that the timescales for the national treatment centre and the cancer centre projects had been drawn up using market intelligence and previous building project timescales and the NHS Assure timeline for approvals and processes. This included a 3 month processing period with NHS Assure at initial agreement stage and a further 3 months at the final business case. Ms Goldsmith advised that it had been pointed out to the Scottish Government that delays risked increase in costs due to inflation over time.
- 42.4.2 Mr Currie advised that Ms Gillies was working on the service model for the cancer centre and the initial agreement would include clear pathways.
- 42.4.3 Ms Goldsmith noted the need to resist private funding sources so that these areas were under the direct control of NHS Lothian.
- 42.4.4 Members accepted the recommendation laid out in the paper.
- 42.5 Track and Trace of Reusable Medical Devices – Project Report
- 42.5.1 The chair welcomed Dr Hopton to the meeting and she presented the previously circulated paper. It was noted that the project was initially expected to take 19 months but there had been a delay of 18 months due to a number of issues.
- 42.5.2 Dr Hopton advised that procurement checks were done regarding the suppliers but the project subsequently experienced a failure of one of the suppliers. Another delay had been due to changes of practice in theatres; Dr Hopton advised that this was regarding the way spaces were being used and to have been updated on this sooner closer engagement with theatre would have been required.
- 42.5.3 The problems experienced in this project were a good example of why finance and project support should be put in place from the beginning of all projects as was now planned.
- 42.5.4 It was noted that the project had brought up the need for update of surgical instruments. This had been reported to the Committee at the time and a surgical instruments programme board was working on a review.
- 42.5.5 Members accepted the recommendations laid out in the paper.
- 42.6 Intensive Care Unit Critical Care Information System – cost update
- 42.6.1 The chair welcomed Ms McDonald and Professor Gillies to the meeting and they presented the previously circulated paper. Professor Gillies advised that the increase in cost included an additional 20 beds in the cardiac ward as well as the 4 additional beds in ward 20; it had been decided to include this expansion as part of the initial critical care project.
- 42.6.2 Members accepted the recommendations laid out in the paper and approved the revised capital budget for the project.
- 42.7 Initial Agreement – Intellectual Disability and NIDAIPU Integrated Mental Health and Low Secure Unit

- 42.7.1 The chair welcomed Ms McKigen to the meeting and she presented the previously circulated paper. Members were advised that the paper had been considered at the PPDC but that financial implications were to be considered at this Committee. All future initial agreements would be considered in full at the PPDC. Ms McKigen advised that the initial agreement had been agreed by all four Integration Joint boards and by the PPDC.
- 42.7.2 Mr McCann advised that Midlothian IJB had approved the proposal with the following agreed amendments:
- receipt of assurance on the detail regarding the principle of resource transfer;
 - receipt of assurance that there would be a degree of flexibility in the system in relation to beds in recognition that there may be some occasions when demand may exceed supply;
 - further detail on the above points would be included in the development of the business case.
- 42.7.3 Members accepted the recommendations laid out in the paper and approved the initial agreement for submission to the Board and then to the Scottish Government Capital Investment Group, with the amendments as noted.
- 42.8 Initial Agreement – Reprovision of Critical Care Ward 20, Western General Hospital
- 42.8.1 Mr Bradbury presented the previously circulated paper. As with the previous item, this had been considered by the PPDC. Members accepted the recommendations laid out in the paper and approved the initial agreement for submission to the Board and then to the Scottish Capital Investment Group.

43. Revenue

43.1 Financial Position September 2021

- 43.1.1 Mr Marriott presented the previously circulated paper. He advised that drug costs continued to increase and that all Boards were experiencing this. Some drugs included rebates which would be claimed later in the financial year. Regarding new drugs, Ms Gillies advised that there was a process for considering efficacy through the Scottish Medicines Consortium but that the Scottish Government could issue instruction that certain drugs be available for prescription.
- 43.1.2 Members accepted the recommendations laid out in the paper and accepted significant assurance on the ability to achieve breakeven in 2021/22.

43.2 5 Year Financial Outlook and Outline Plan 2022/23

- 43.2.1 Mr Marriott presented the previously circulated paper. It was noted that many areas were working with a reduced activity and higher costs due to covid mitigations in place and that it was difficult to estimate what costs would be required to increase activity or whether this would be possible with the space and staffing available.

- 43.2.2 Mr Marriott advised that the Scottish Government had given high level indications that they would expand the financial framework, but further details on what service requirements associated with any additional funding were awaited.
- 43.2.3 The standard efficiency savings programme through procurement was continuing but there was limited additional capacity in the services to engage with this at the moment due to other system priorities.
- 43.2.4 Members accepted the recommendations laid out in the paper. The next report would include an update on the Scottish Government financial framework and more detail on NHS Lothian efficiency programmes and the different workstreams. **CM**
- 43.3 Facilities Fit for Purpose Action Plan – Risk 3189
- 43.3.1 The chair welcomed Mr Logan to the meeting and he presented the previously circulated paper. He noted that previously the property maintenance programme was based on the knowledge of staff, but the new formal process would take into account asset data to assess priorities. Implementation of this process was in progress. For this year the focus was on maintenance risks and more capital projects would be introduced the following year.
- 43.3.2 In response to a question about use of larger supplier companies and losing sustainability benefits of using smaller local companies, Mr Logan advised that a mix of smaller and larger companies would be required as some smaller suppliers did not have the capacity to upscale to the extent of the work required for backlog maintenance.
- 43.3.3 This year 4 modern apprentices were employed and the plan was to continue with 4 new apprentices each year. A new pre-band 2 training role for people with disadvantaged backgrounds was also being introduced where employees would gain a qualification and then move into the maintenance assistant role. More possibilities for training roles in the future were also being discussed.
- 43.3.4 Members accepted the recommendations laid out in the paper.

44. Sustainability

44.1 Sustainability Update

- 44.1.1 Dr Hopton presented the previously circulated paper. It was noted that given the challenges installing electric car charging points in the car park at the Royal Infirmary other options were being considered. Due to the infrastructure changes that would be required it would not be possible to install charging points in the new temporary car park. Discussions were ongoing with University of Edinburgh regarding a possible shared service.
- 44.1.2 It was noted that more support for the core sustainability team would help them to support the departments with pathways and climate risk assessments, but that the aim of the process was to embed these processes as part of daily business for the whole system.

44.1.3 Dr Hopton advised that electronic bicycles were being used as part of NHS Lothian's fleet by staff who travel between sites in the Podiatry service. This had been advertised to other departments with the possibility of this being funded by a grant for sustainable travel.

44.1.4 Members accepted the recommendations laid out in the paper and requested an update on the eHealth role in the sustainability programme in the next report.

45. Reflection on the meeting

45.1 It was agreed that the Medium Term Financial Framework and Scottish Government policy requirements would be highlighted at the next Board meeting. Ms Goldsmith would also present a paper on the PFI strategy at the private session of the Board.

45.2 The need for support to be in place for staff involved in giving evidence to the Scottish Hospitals Inquiry would also be highlighted. **AMcC**

46. Date of Next Meeting

46.1 The next meeting of the Finance and Resources Committee would take place at **9.30** on **Monday 17 January 2022**.

47. Meeting Dates in 2022

47.1 Meetings in 2022 would take place on the following dates:

- 17 January 2022 (Monday);
- 20 April 2022;
- 8 June 2022;
- 17 August 2022;
- 19 October 2022;
- 21 December 2022.

Signed by the Chair

Original kept to file

Date: 30 January 2022

Angus McCann

Chair –NHS Lothian Finance and Resources Committee